



State of California

# Employment Training Panel

Arnold Schwarzenegger, Governor

August 27, 2009

Sandra Morris, Manager, Training & Development  
Henkels & McCoy, Inc.  
985 Jolly Road  
Blue Bell, PA 19422

Dear Ms. Morris:

**RE: FINAL MONITORING VISIT REPORT for Henkels & McCoy, Inc. (H&M) – ET08-0149**

<b>Date of the Visit:</b>	8/26/09
<b>Beginning/Ending Time:</b>	9:00 a.m. – 12:00 p.m.
<b>Date of Last Visit:</b>	3/5/09
<b>Visit Location:</b>	Henkels & McCoy's Pomona facility
<b>Persons in attendance:</b>	Sandra Morris, Manager, H&M, Pennsylvania Jean Yount, Executive Assistant, H&M, California Marissa Tolentino, ETP Analyst Chris Mangels, Training Funding Partners/TFP (via phone)
<b>Action Required:</b>	No

## CONTRACT INFORMATION:

<b>Term of Agreement:</b>	9/1/07 – 8/31/09	<b>Agreement Amount:</b>	\$668,394
<b>Training Start Date:</b>	9/1/07	<b>No. to Retain:</b>	401
<b>Date Training must be Completed:</b>	*5/3/09 & 6/2/09	<b>Range of Hours:</b>	24 - 200
<b>Type of Trainee:</b>	Retrainee, SET Frontline Worker	<b>Weighted Ave. Hours:</b>	77-97

*\*Training must be completed by May 3, 2009 to allow Job 3 trainees to complete the 90-day retention period within 120 days; or June 2, 2009 to allow Job 1 and 2 trainees to complete the 90-day retention period within the Agreement term.*

## FINAL REPORT SUMMARY:

The Agreement was executed on September 21, 2007 and training began on September 4, 2007. Your staff reported that all training was completed on June 2, 2009, which allows for the 90-day retention period to be completed within the term ending date of the Agreement – August 31, 2009.

On November 29, 2007, ETP approved Agreement Modification No. 1 to include five additional facilities in this Agreement and add an occupation in Job 2.

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ETP (05/16/07)

On February 11, 2009, Modification No. 2 was approved to add your San Diego facility; and include Management Skills training and additional topics under Commercial Skills and Continuous Improvement training.

This Agreement is based on a variable reimbursement training plan. H&M is reimbursed for the exact number of training hours provided to each trainee completing between 24 to 200 hours of Class/Lab training or Computer Based Training in either Business Skills, Commercial Skills, Computer Skills, Continuous Improvement or Management Skills. Mr. Mangels provided Ms. Tolentino with projected statistics for the closeout of the Agreement. According to your records at the time of this final meeting, you expect to retain a total of 86 (21% of planned retentions) trainees for a total reimbursement of \$59,618 (9% of the encumbered amount). Ms. Tolentino reminded you that administrative costs funded by ETP should not exceed 13% of payment earned.

Since you have been paid \$18,198 to date, you will receive an additional \$41,420 if the anticipated number to retain is verified during the final fiscal closeout.

You and Ms. Yount indicated that your performance was affected by the following:

1. A misunderstanding between H&M and TFP staff may have occurred during the development stage of this Agreement in regards to the types of employees and types of training that can be included in this Agreement. It was only during prior monitoring visits that your project staff realized that not all employees (employees working in California but reports wages in another state) can be enrolled in the ETP Training Program; you cannot include training which occurred outside of California without prior approval (which excludes 16 hours of training from your ETP training plan); and you cannot report Driver Safety Training and continuing education in this Agreement.
2. Failure to document several ETP training hours. Apparently, one dedicated internal trainer did not complete Class/Lab Rosters. Therefore, you are unable to report it for reimbursement.

Ms. Yount stated that ETP recordkeeping was not a problem. In spite of your low performance, you indicated that this Agreement was beneficial. ETP funds help offset H&M's cost of training and administration. Since this is your first ETP Training Program, you were able to have a better understanding of ETP requirements and you have realized the need of a West Region HR Manager dedicated to provide a more structured approach to your training (ETP and non-ETP). Ms. Yount explained that although H&M is committed to training its workers by scheduling classes on a daily basis and providing rewards to trainees for attending classes, several workers have taken a light attitude towards training. Apparently, several classes have low trainee attendance because workers realize that the same class will be offered to them on another day. The hiring of a West Region HR Manager will allow you to have a dedicated person to closely manage the training program and in the event that you decide to submit a new ETP Training Program, you will be able to improve your performance.

**PROJECT STATUS PROVIDED BY THE CONTRACTOR:**

Trainees Started Training:	445	Completed Training:	86
Dropped Following Enrollment:	359	Completed Retention:	86
Completed Minimum Hours for reimbursement:	86	In Retention Period:	0

According to Mr. Mangels, the information reported on the ETP Online Contract Status Report is not current. Mr. Mangels agreed to process the drops upon submission of the final invoice. In the meantime, Mr. Mangels is waiting for ETP's ITU Unit to assist him in uploading several training records on the ETP Tracking System.

### **ATTENDANCE ROSTERS:**

At the last Monitoring Visit, two Rosters (Rosters No. 194 and 322) were not available for review. Prior to this visit, Ms. Yount located Roster No. 322 which was removed from the ETP binder to be logged in your Specialty Tracking System. However, she could not locate Roster No. 194 for a 4-hour class in Continuous Improvement. Leadership training provided on May 23, 2008.

During this visit, Ms. Tolentino reviewed attendance records of 13 trainees who completed the minimum number of training hours required. The attendance rosters reviewed contained the information required by ETP regulations; indicated that you are in compliance with the ratio of one trainer to 20 retrainees specified in the Agreement Training Plan; confirmed that the Agreement curriculum was provided as specified.

The Analyst also reviewed secondary source documentation for the missing Roster No. 194. A copy of a PC compliance report taken from H&M's Specialty Tracking System, shows trainees completing a 20-hour class on Supervisor Training. Ms. Yount explained that this class was delivered on May 21, (9 hours), May 22 (7 hours) and May 23 (4 hours). The original Rosters for May 21 and May 22 exist, however only a photocopy of the Roster for May 23 was available. Ms. Tolentino informed you that it appears that the PC compliance report justifies delivery of training on May 23, however, this report may be reviewed further by ETP's Audit Unit for appropriateness.

You were informed that the above findings are based only on the training records reviewed during this visit and you should verify that all your records are in conformance with ETP requirements for auditing purposes. [Reference: Title 22 California Code of Regulations, Section 4442(b)] Inaccurate or incomplete data may result in repayment of unearned funds, plus applicable interest, to ETP.

### **FINAL INVOICE:**

Ms. Tolentino advised your project staff that the Final Invoice must be submitted within 30 days from the expiration date of the Agreement and if more time was required, you should request for an extension by writing to Kulbir Mayall, Fiscal Manager in the ETP Sacramento office.

### **AUDIT:**

H&M will be notified in writing if this agreement is selected for an audit, conducted either at your site (field audit) or by telephone (desk audit or "review"). The Audit Notification and Audit Confirmation letters will be sent in advance to allow ample preparation time and will include a list of documents that will be examined by the auditor. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked

- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

**RECORD RETENTION:**

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Ms. Tolentino at (818) 755-1311 or by email at [MTolentino@etp.ca.gov](mailto:MTolentino@etp.ca.gov) within ten (10) working days from the receipt of this letter.

Sincerely,

**Signature on file**

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Wally Aguilar, Program Manager  
North Hollywood Regional Office

**Signature on file**

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Marissa Tolentino, Contract Analyst  
North Hollywood Regional Office

cc: Jean Yount, H&M (via e-mail)  
Chris Mangels, TFP (via e-mail)  
David Guzman, Chief, Audits & Program Operations Division (via e-mail)  
Kulbir Mayall, Manager, Fiscal and Certification (via e-mail)  
Master File  
Project File

Date`` report mailed to Contractor 8/27/09